



Missouri Department of Elementary and Secondary Education

— Making a positive difference through education and service —

August 22, 2008

TO: School District Administrators

FROM: Gerri Ogle, Associate Commissioner, Administrative and Financial Services
Roger Dorson, Coordinator, School Administrative Services

RE: August Financial Information

2008-09 Foundation Payment Calculation - August

The August Basic Formula payment, including Classroom Trust Fund, was calculated using the best data available for each district. Each month's calculation will be made using the best available data reported by the district to DESE.

One common data quality issue affecting a district's calculation is the lack of the 2008 summer school attendance data provided through the MOSIS August submission; therefore, the payment weighted average daily attendance for the district does not include a summer school component. The weighted average daily attendance value used in the formula calculation will change in some future month once the summer school attendance data have been submitted to DESE. *Please submit the 2008 summer school attendance data as soon as possible.*

2008-09 Proposition C Payment Calculation - August

The Proposition C payment was based on the 2006-07 weighted average daily attendance (WADA) used in the June Proposition C payment. The September Proposition C payment may use the 2007-08 WADA.

Senate Bill 711 – Modifications to Property Tax Provisions

SB711 passed in the 2008 legislative session and modifies some property tax provisions. The final summary and the full text of this "truly agreed to and finally passed" bill are available on the Senate website at <http://www.senate.state.mo.us/>. This bill becomes effective on August 28, 2008. Implications of the bill for the 2008-09 school year (2008 calendar year) are:

- School districts should consider whether to eliminate all or a portion of any voluntary rollback to their operating tax rate when setting the 2008-09 tax rate this summer.
- The provisions of this bill do not change the option for districts with a tax rate ceiling less than \$2.75 to increase their levy to \$2.75 by board action in accordance with the Missouri Constitution, Article X, Section 11(b).
- Include new bond issue ballot language on bond issue votes after August 28, 2008.

Tax Rate Hearing Notice

Effective August 28, 2007, a new requirement was added to Section 67.110, RSMo, which requires each school district to include information regarding additional revenue to be received from new construction and reassessment separately and to show a percent of additional new revenue from reassessment in the tax rate hearing notice.

Setting 2008-09 Tax Levies

The district should have received the 2008 State Auditor's Office forms for computing the 2008 tax rate ceiling for operations and the debt service maximum levy. These forms should be completed as soon as possible and forwarded through the appropriate channels. Establishing the tax rate ceiling is fundamental in determining the actual adjusted tax levy and the placement of the levy by fund. A tax rate calculator is available on the State Auditor's web page at www.auditor.mo.gov.

A District Tax Reduction Worksheet (more commonly referred to as the Prop C Rollback Worksheet) is available on the web at the following address <http://www.dese.mo.gov/divadm/finance/tools/>. For those districts completing the Prop C Rollback Worksheet, data for Line 1b (if applicable) may be found on Proposition C Compliance letters sent in May. Only districts not in compliance with the Prop C rollback requirements in 2007-08 received a letter. A listing of districts not in compliance can be found on the School Finance web page by clicking on Data and Reports, clicking on Prop C and then clicking on Compliance Letters Sent. The data for Line 2a of the Prop C Rollback Worksheet and the data for Line 14 of the State Auditor's Office tax rate ceiling form can be found on the School Finance web page by clicking on Data and Reports and then clicking on Estimated State Assessed Revenues used in the Tax Rate and Prop C Rollback Calculations. Districts who received voter approval for a full waiver of the Proposition C rollback do not need to complete the Prop C Rollback Worksheet.

The tax rate must be filed with the County Clerk(s) office(s) by September 1 using the Estimate of Required Local Taxes form. The **Estimate of Required Local Taxes** form is available in an Excel file version at the following web address <http://dese.mo.gov/divadm/finance/tools/EstimateTaxes.xls>. Refer to the July 2008 memo for information about the form.

2008-09 Core Data Screen 6

The 2008 (2008-09 school year) tax levies and assessed valuations are reported on Screen 6 titled "District Tax Data" of the Core Data Collection System. The tax levy information entered on Screen 6 must agree with the levies on the **Estimate of Required Local Taxes** form, which is to be filed with the respective county(ies) by September 1. The assessed valuation data for 2008 entered on Screen 6 is the estimated assessed valuation received from the county in June/July for the 2008 calendar year and used in the calculation of the district's tax rate ceiling. Do not enter the December 31, 2007, assessed valuation on Screen 6.

August cycle data should have been entered by August 15, 2008, or as soon thereafter as possible, as this will determine the accuracy and completeness of the Missouri School Directory.

Attendance Reporting for Nontraditional Methods of Instruction

The following describe how attendance is counted for varying types of nontraditional methods of instruction:

MoVIP

1. A student taking a state funded MoVIP course and who is enrolled and attending a public school in Missouri is not counted for attendance for state aid purposes for the MoVIP course(s) he or she is taking. Instead the school district will receive 15% of the state aid per weighted average daily attendance that the student would have generated.
2. A student taking a MoVIP course with the tuition paid by the school district is counted for attendance by the school district upon the student's successful completion of the course if the student is supervised by a certificated teacher during the regular school day at the school in which he or she is enrolled.
3. A student who is not a public school student, but whose parent or guardian has checked a box on the MoVIP enrollment form choosing to include their child in the local district's enrollment, is not counted in attendance for state aid purposes. The district does receive 15% of the state aid per weighted average daily attendance that the student would have generated.

Homebound

A student who by necessity requires instruction to be provided at home may be counted for full attendance if the student has received a minimum of 5 hours of instruction per week by a certificated teacher. If the instruction is below 5 hours then the student's attendance is only based on actual hours of instruction (such as 4 hours of instruction is only counted as 4 hours of attendance).

A student who requires instruction to be provided at home because of physician approved medical reasons or who has been suspended from school and has an IEP may be enrolled full time in MoVIP as an alternative to the above referenced format.

- If a qualified homebound student is served using a MoVIP state-funded seat, the district receives the 15% of the state aid per weighted average daily attendance the student would have generated as outlined in statute.

- If a district is paying MoVIP tuition to serve a qualified homebound student full-time, the student may be counted for full-time attendance.
- Any other students who are receiving instruction at home through MoVIP for reasons other than the two referenced in the second paragraph of this Homebound section will be counted for full attendance if they receive 5 hours of instruction per week by a certificated teacher. If the instruction is below 5 hours then the student's attendance is only based on actual hours of instruction (such as 4 hours of instruction is only counted as 4 hours of attendance).

Note – Student time spent on virtual education courses outside the school day cannot count for attendance hours except for qualified home-bound students as outlined above.

Correspondence Courses

A student's hours spent on correspondence courses, because of their delivery method which is generally outside the school day and not under the supervision of a certificated instructor, are not counted for attendance hours for state aid purposes.

There may be other examples of instruction not mentioned here. In those cases it is best to contact DESE to determine if it is appropriate to report the attendance hours. The basic rule is that the student must be receiving the instruction during the regular school day and be under the supervision of a certificated teacher.

Estimated Regular Term Average Daily Attendance (ADA)

The estimated regular term ADA for 2008-09 may be entered on the August Core Data WEB Screen 2 in the Estimated ADA field. Report the estimated regular term ADA for the **2008-09** year *only if the district's 2008-09 regular term ADA is expected to be greater than both the 2006-07 and 2007-08 regular term ADA figures* and the district wants to be paid in 2008-09 on the 2008-09 estimated number. Regular term average daily attendance includes qualified remediation attendance outside the regular school day.

The local education agency (LEA) charter schools must enter an estimated regular term ADA for 2008-09. Payment is made to charter schools on current year attendance.

Revisions to the 2008-09 estimated ADA may be made through **May 15, 2009**. Contact School Finance staff if you have questions about estimating ADA.

Certificated Salary Compliance – 2007-08 and subsequent years

Effective in 2007-2008 the certificated salary compliance measure outlined in SB 287 (2005) is in place. These requirements are stated in Section 163.031.6, RSMo. To be in compliance, school districts must spend for certificated compensation costs at least the sum of:

- 1) 75% of Formula Money (excluding Classroom Trust Fund money);
 - 2) 75% of one half of Proposition C; and,
 - 3) as many dollars per weighted ADA from local and county tax sources as was spent the previous year.
- The first year base for local and county tax sources was established in 2006-2007. The local and county tax minimum per weighted ADA will change each subsequent year but cannot decrease from the previous year.

The placement requirements of 75% of Formula money and 75% of one half of Proposition C in the Teachers Fund are minimum amounts. Districts may place up to 100% of their Formula money and up to 100% of all their Proposition C money in the Teachers' Fund. Also, 100% of Fines and Escheats and 100% of Career Ladder state match are placed in the Teachers' Fund.

It is important to remember the following:

- 1) While Proposition C is coded as local revenue, it is not included in the local and county tax sources used in the Certificated Salary Compliance calculation of local effort since Prop C has a specific compliance requirement.

- 2) The revenue codes for local and county tax sources used in the Certificated Salary Compliance calculation are:
 - 5111-Current Taxes
 - 5112-Delinquent Taxes
 - 5114-Financial Institution Tax
 - 5115-M&M Surtax
 - 5116-In Lieu of Tax
 - 5117-City Sales Tax
 - 5221-State Assessed Railroad and Utilities
 - 5222-County Stock Insurance Fund
- 3) Local and county tax sources include not only transfers from the Incidental Fund to the Teachers' Fund but local and county revenue generated in the Teachers' Fund.

The Excel formula calculation tool includes a worksheet for certificated salary compliance. **This calculation tool was updated on July 17, 2008.** Entering the required data for 2006-07 and 2007-08 will help the district determine the minimum local and county tax money per weighted ADA required in 2007-08 and 2008-09, respectively.

If you have questions regarding Certificated Salary Compliance, please call or email School Finance (573-751-0357; webreplyadmsf@dese.mo.gov)

SCHOOL GOVERNANCE

Nonresident Students

The School Administrative Services section has received a number of calls regarding the admission of nonresident students. Please note the following:

- If a school district enrolls a nonresident student the district must charge tuition and this student cannot be counted for state aid purposes.
- Homeless children are resident students.
- A child of a parent employed by the school district as a teacher or regular employee and agriculture exemptions are situations where a nonresident student may be enrolled and counted for state aid purposes.

It is the time of year when students are registering for school and the district is dealing with residency issues. It would be advisable, especially for districts with new administrators, to review the district's residency policy and enrollment forms. Additional information on residency, such as an enrollment checklist and residency waiver, can be found at the School Governance website:

<http://dese.mo.gov/divadm/govern/index.html>.

Please contact Roger Dorson, Coordinator – School Administrative Services, at (573) 751-0357 if you have any questions relating to residency or other questions relating to the operation of your school district.

Use of Birth Certificates for Enrollment Purposes

The Department of Health and Human Services - Bureau of Vital Records receives a large number of requests for birth certificates from parents attempting to enroll their child in a Missouri public school. According to the Bureau, these parents are being told they cannot enroll their child in a school district without a birth certificate containing the father's name and information on the certificate. The Bureau has questioned the Department about the use of birth certificates for this purpose.

Neither the Missouri Constitution, the Public School Laws of Missouri nor Department rules require public school districts to request a birth certificate for enrollment purposes. In fact, school districts requiring this information before allowing a student to enroll may, in effect, be denying the student access to a public education for which s/he is otherwise legally qualified to receive. While a district may request a birth certificate at the time of enrollment, documents other than a birth certificate can be used to verify the age of a student. Finally, the U.S. Department of Education's Office for Civil Rights has, in the past, cautioned school districts about relying solely on birth certificates when other documents, such as parent affidavits or hospital records, are equally suitable as reliable sources of information.

In sum, the fact that a parent cannot provide a birth certificate with or without the father's name on it should not—by itself—prevent a child from enrolling in a public school.

MSPMA Annual State Conference

The annual state conference of the Missouri School Plant Managers Association will be held on September 14-16, 2008 at the Country Club Hotel and Spa at the Lake of the Ozarks. A MSPMA membership form and registration form for the conference have been sent in a separate mailing. Please provide the conference information to the person in your district in charge of facilities. Additional information about the conference can be obtained by calling Mr. Tony Sloan, Executive Director, at (573) 443-0789. Registration and conference information is also available at <http://www.mspma.com/>

SCHOOL TRANSPORTATION

National School Bus Safety Week

National School Bus Safety Week is October 20-24, 2008. This Year's Theme is "Avoid Harm, Obey the Stop Arm". A National School Bus Safety Week Resource Guide and Activity Booklet may be printed off the National Association of Pupil Transportation's website at http://www.napt.org/associations/3103/files/NSBSWdoc_Color.pdf. School Bus Safety Week posters can be obtained from the National Assn. of Pupil Transportation at (800) 989-NAPT.

School Bus Driving Record Checks

With the 2005 change in school bus driver licensing from the Department of Revenue's central office to local fee offices the Department of Revenue (DOR) no longer has access to employer information for notifications of changes in school bus "S" endorsement status. Driving records can be obtained for \$1.25 (plus \$2.00 at the fee offices). A verbal S endorsement status check can be obtained by calling DOR, General Issuance, (573) 751-2730 or by calling an automated line at (573) 751-3680. It is recommended that the driving record or S endorsement status be checked at least every 6 months. The driver will still be notified by letter when any S endorsement status change occurs. Driving record checks are also run when the applicant is applying for an S endorsement.

Implementation of 2005 CDL Test Standards

Missouri State Highway Patrol (MSHP) and the Department of Revenue (DOR) are working on the implementation of the 2005 CDL test standards, all states are required to be in compliance with these standards by 2010. October 1 is the target date for implementation in Missouri. The Department of Revenue has issued a new CDL manual with these changes. A new manual is available from the local MSHP testing site or on-line at <http://dor.mo.gov/mvdl/drivers/forms/>.

Exempt Railroad Crossings

Attached is a current listing of the [exempt railroad crossings](#) in Missouri. The Highway 63 railroad crossing exemption at Columbia is new. Please make sure that your buses traveling in these areas with exempt crossings are aware of this information.

DESE Homepage Address: <http://dese.mo.gov>